

Illinois-American Water Company
Total Company
Statement of Operating Income with Adjustments
For the Test Year Ending September 30, 2013

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted	Approved Adjustments (Appendix A, p. 3, Column (i))	Pro Forma Present (Cols. b+c)	Company Proposed Increase (Company Update & Rebuttal)	Gross Revenue Conversion Factor	Rates With Order Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Operating Statement Per Order (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ 208,610,790	\$ 2,190,580	\$ 210,801,370	\$ 34,768,620	\$ (325)	\$ 245,569,665	\$ (16,840,102)	\$ 228,729,563
2	Other Revenue	3,491,246	-	3,491,246	-	-	3,491,246	-	3,491,246
3	Total Operating Revenue	212,102,036	2,190,580	214,292,616	34,768,620	(325)	249,060,911	(16,840,102)	232,220,809
4	Uncollectible Accounts Expense	1,983,451	18,620	2,002,071	295,854	(324)	2,297,601	(143,141)	2,154,460
5	Labor	25,120,426	-	25,120,426	-	-	25,120,426	-	25,120,426
6	Fuel & Power	6,099,830	182,000	6,281,830	-	-	6,281,830	-	6,281,830
7	Chemicals	7,626,126	-	7,626,126	-	-	7,626,126	-	7,626,126
8	Waste Disposal	1,267,050	-	1,267,050	-	-	1,267,050	-	1,267,050
9	Service Company Fees	20,113,947	(3,423)	20,110,524	-	-	20,110,524	-	20,110,524
10	Group Insurance	6,282,114	-	6,282,114	-	-	6,282,114	-	6,282,114
11	Pensions	3,136,896	-	3,136,896	-	-	3,136,896	-	3,136,896
12	Regulatory Expense	963,326	(54,374)	908,952	-	-	908,952	-	908,952
13	Insurance - other	2,925,004	-	2,925,004	-	-	2,925,004	-	2,925,004
14	Customer Accounting	2,616,935	-	2,616,935	-	-	2,616,935	-	2,616,935
15	Rents	1,229,184	-	1,229,184	-	-	1,229,184	-	1,229,184
16	General Office Expense	2,363,139	-	2,363,139	-	-	2,363,139	-	2,363,139
17	Maintenance - other	7,968,939	-	7,968,939	-	-	7,968,939	-	7,968,939
18	Miscellaneous	11,665,253	(51,159)	11,614,094	-	-	11,614,094	-	11,614,094
19	Depreciation & Amortization	43,885,732	-	43,885,732	-	-	43,885,732	-	43,885,732
20	Taxes other than Income	13,721,048	-	13,721,048	-	-	13,721,048	-	13,721,048
21	Total Operating Expense								
22	Before Income Taxes	158,968,400	91,664	159,060,064	295,854	(324)	159,355,594	(143,141)	159,212,453
23	State Income Tax	1,388,408	76,001	1,464,409	1,528,779	(1)	2,993,187	(740,460)	2,252,727
24	Federal Income Tax	8,730,219	573,213	9,303,432	11,530,396	-	20,833,828	(5,584,782)	15,249,046
25	Deferred Taxes and ITCs Net	2,103,819	-	2,103,819	-	-	2,103,819	-	2,103,819
26	Total Operating Expenses	171,190,846	740,878	171,931,724	13,355,029	(325)	185,286,428	(6,468,383)	178,818,045
27	NET OPERATING INCOME	\$ 40,911,190	\$ 1,449,702	\$ 42,360,892	\$ 21,413,591	\$ -	\$ 63,774,483	\$ (10,371,719)	\$ 53,402,764
28	Rate Base (Appendix A, p. 4, Column (d))								\$ 706,385,738
29	Overall Rate of Return Per Order								7.56%
30	Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)								\$ 17,928,193
31	Percentage Revenue Change (Col. (i), Line 30 divided by Col. (d), Line 3)								8.37%

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Adjustments to Operating Income
For the Test Year Ending September 30, 2013

Line No.	Description	Sum of schedules for: Zone 1 "ZN", Chicago Metro Water "CW", Chicago Metro Waste Water "CS", Pekin "PK" & Lincoln "LC"							Subtotal Operating Statement Adjustments
		Interest Synchronization (Per Order)	Rate Case Expense (Per Order)	Social/Service Memberships (Staff Ex. 11.0 Sch. 11.2 Corrected)	Management Audit Costs (Per Order)	Call Center Expansion Costs (Per Order)	Chemical Expense (Per Order)	Revenue Adjustment (AG Ex. 1.03) (AG Ex 2.2, C-1)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,302,388	\$ 2,302,388
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	2,302,388	2,302,388
4	Uncollectible Accounts Expense	-	-	-	-	-	-	19,570	19,570
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	182,000	182,000
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Service Company Fees	-	-	-	-	(3,423)	-	-	(3,423)
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(54,374)	-	-	-	-	-	(54,374)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	(51,159)	-	-	-	-	(51,159)
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(54,374)	(51,159)	-	(3,423)	-	201,570	92,614
23	State Income Tax	(17,080)	2,411	2,270	-	151	-	93,165	80,917
24	Federal Income Tax	(128,831)	18,187	17,112	-	1,145	-	702,680	610,293
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	(145,911)	(33,776)	(31,777)	-	(2,127)	-	997,415	783,824
27	NET OPERATING INCOME	\$ 145,911	\$ 33,776	\$ 31,777	\$ -	\$ 2,127	\$ -	\$ 1,304,973	\$ 1,518,564

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Sum of schedules for: Zone 1 "ZN", Chicago Metro Water "CW", Chicago Metro Waste Water "CS", Pekin "PK" & Lincoln "LC"									
Line No.	Description	Subtotal Operating Statement Adjustments	Scott AF Base Large User Tariff (IAWC Exhibit 5.02SR)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Tariff Revenue	\$ 2,302,388	\$ (111,808)	\$ -				\$ -	\$ 2,190,580
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	2,302,388	(111,808)	-	-	-	-	-	2,190,580
4	Uncollectible Accounts Expense	19,570	(950)						18,620
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	182,000	-	-	-	-	-	-	182,000
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Service Company Fees	(3,423)	-	-	-	-	-	-	(3,423)
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	(54,374)	-	-	-	-	-	-	(54,374)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	(51,159)	-	-	-	-	-	-	(51,159)
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense Before Income Taxes	92,614	(950)	-	-	-	-	-	91,664
22	State Income Tax	80,917	(4,916)						76,001
23	Federal Income Tax	610,293	(37,080)						573,213
24	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
25	Total Operating Expenses	783,824	(42,946)	-	-	-	-	-	740,878
26	NET OPERATING INCOME	\$ 1,518,564	\$ (68,862)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,702

Illinois-American Water Company
Total Company
Rate Base
For the Test Year Ending September 30, 2013

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted	Approved Adjustments (Appendix A p. 5, Column (i))	Ordered Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 1,444,484,154	\$ -	\$ 1,444,484,154
2	Less: Accumulated Depreciation	(522,109,805)	-	(522,109,805)
3	Net Utility Plant in Service	922,374,349	-	922,374,349
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Utility Plant Acquisition Adj. - DuPage	117,409	-	117,409
6	Additions to Rate Base			
7	Cash Working Capital	3,512,000	(1,177,000)	2,335,000
8	Materials & Supplies	3,563,769	-	3,563,769
9	Deferred Charges - Tank Painting	11,447,243	-	11,447,243
10	FAS 109 Reg. Asset-Net of Liability	1,550,071	-	1,550,071
11	Service Company Audit Costs	1,002,691	-	1,002,691
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	Deductions From Rate Base			
16	Customer Advances	(77,848,070)	-	(77,848,070)
17	Pension Asset (Liability)	9,575,289	(9,575,289)	-
18	OPEB Liability	(1,952,531)	-	(1,952,531)
19	Contributions in Aid of Construction	(174,651,449)	-	(174,651,449)
20	Accum. Depr. On CIAC	73,396,805	-	73,396,805
21	Budget Payment Plan	(3,651)	-	(3,651)
22	Deferred Federal Income Taxes	(52,692,881)	(63,133)	(52,756,014)
23	Deferred State Income Taxes	(2,187,870)	-	(2,187,870)
24	Investment Tax Credit - pre 1971	(2,014)	-	(2,014)
25	Rate Base	\$ 717,201,160	\$ (10,815,422)	\$ 706,385,738

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Adjustments to Rate Base
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Sum of schedules for: Zone 1 "ZN", Chicago Metro Water "CW", Chicago Metro Waste Water "CS", Pekin "PK" & Lincoln "LC"								
Line No.	Description	Cash Working Capital (Per Order)	Pension Asset (Staff Ex. 10.0 Sch. 10.1)	Management Audit Costs (Per Order)	FIN 48 ADIT (AG Ex. 2.2)	(Source)	(Source)	(Source)
	(a)	(b)	(c)	(e)	(f)	(f)	(g)	(h)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Less: Accumulated Depreciation	-	-	-	-	-	-	-
3	Net Utility Plant in Service	-	-	-	-	-	-	-
4	Construction Work in Progress	-	-	-	-	-	-	-
5	Utility Plant Acquisition Adj. - DuPage	-	-	-	-	-	-	-
6	Additions to Rate Base							
7	Cash Working Capital	(1,177,000)	-	-	-	-	-	(1,177,000)
8	Materials & Supplies	-	-	-	-	-	-	-
9	Deferred Charges - Tank Painting	-	-	-	-	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	-	-	-	-	-	-	-
11	Service Company Audit Costs	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-
13		-	-	-	-	-	-	-
14		-	-	-	-	-	-	-
15	Deductions From Rate Base							
16	Customer Advances	-	-	-	-	-	-	-
17	Pension Asset (Liability)	-	(9,575,289)	-	-	-	-	(9,575,289)
18	OPEB Liability	-	-	-	-	-	-	-
19	Contributions in Aid of Construction	-	-	-	-	-	-	-
20	Accum. Depr. On CIAC	-	-	-	-	-	-	-
21	Budget Payment Plan	-	-	-	-	-	-	-
22	Deferred Federal Income Taxes	-	1,465,867	-	(1,529,000)	-	-	(63,133)
23	Deferred State Income Taxes	-	-	-	-	-	-	-
24	Investment Tax Credit - pre 1971	-	-	-	-	-	-	-
25	Rate Base	\$ (1,177,000)	\$ (8,109,422)	\$ -	\$ (1,529,000)	\$ -	\$ -	\$ (10,815,422)